

HOUSE BILL 704

F1

11r1333
CF SB 683

By: **Delegates Ross, Alston, Barnes, Braveboy, Davis, Frush, Gaines, Griffith, Healey, Holmes, Howard, Hubbard, Ivey, Niemann, Pena-Melnyk, Proctor, Summers, V. Turner, Valderrama, Valentino-Smith, Vallario, Vaughn, and Walker**

Introduced and read first time: February 10, 2011

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Equity in Education Funding Act of 2011**

3 FOR the purpose of providing for the calculation of net taxable income for the
4 calculation of certain State aid for education beginning in a certain fiscal year;
5 providing for the allocation of funds for State aid for education resulting from
6 certain calculations; providing for the application of this Act; and generally
7 relating to the determination of net taxable income for purposes of certain State
8 aid for education funding.

9 BY repealing and reenacting, without amendments,
10 Article – Education
11 Section 5–202(a)(9)
12 Annotated Code of Maryland
13 (2008 Replacement Volume and 2010 Supplement)

14 BY adding to
15 Article – Education
16 Section 5–202(a–1)
17 Annotated Code of Maryland
18 (2008 Replacement Volume and 2010 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article – Education**

22 5–202.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (9) “Net taxable income” means the amount certified by the State
2 Comptroller for the second completed calendar year before the school year for which
3 the calculation of State aid under this section is made, based on tax returns filed on or
4 before September 1 after this calendar year.

5 **(A-1) (1) NOTWITHSTANDING THE DEFINITION OF NET TAXABLE**
6 **INCOME UNDER SUBSECTION (A) OF THIS SECTION, FOR FISCAL YEAR 2013 AND**
7 **EACH YEAR THEREAFTER, NET TAXABLE INCOME SHALL BE CALCULATED BASED**
8 **ON TAX RETURNS FILED ON OR BEFORE SEPTEMBER 1 AND NOVEMBER 1.**

9 **(2) THE CALCULATION THAT RESULTS IN THE GREATER AMOUNT**
10 **OF STATE AID FOR EACH COUNTY SHALL BE USED TO CALCULATE STATE AID**
11 **FOR EDUCATION PROGRAMS THAT USE WEALTH TO CALCULATE THE FORMULAS.**

12 **(3) THE ALLOCATION OF ANY ADDITIONAL STATE AID THAT**
13 **RESULTS FROM THE DIFFERENCE BETWEEN THE TWO CALCULATIONS SHALL BE**
14 **PHASED IN PROPORTIONALLY TO THE EXTENT FUNDS ARE PROVIDED IN THE**
15 **STATE BUDGET, PROVIDED THAT NO JURISDICTION SHALL RECEIVE LESS**
16 **STATE AID FOR EDUCATION PROGRAMS THAT USE WEALTH TO CALCULATE THE**
17 **FORMULAS THAN THE AMOUNT RECEIVED IN THE PRIOR FISCAL YEAR AS A**
18 **RESULT OF THE CALCULATIONS UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 July 1, 2011, and shall be applicable to the calculation of payments of State aid for
21 education for fiscal years beginning after June 30, 2012.